



General Assembly

Amendment

February Session, 2014

LCO No. **4996**

SB0024904996SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

SEN. FRANTZ, 36th Dist.

SEN. MCLACHLAN, 24th Dist.

SEN. WELCH, 31st Dist.

To: Senate Bill No. **249**

File No. 276

Cal. No. 216

(As Amended by Senate Amendment Schedule "A")

"AN ACT PROMOTING RETIREMENT SAVINGS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective from passage*) (a) The General Assembly
4 hereby finds:

5 (1) Whereas, Connecticut has the second highest unfunded pension
6 liability in the country;

7 (2) Whereas, Connecticut's unfunded pension liability exceeds
8 thirteen billion three hundred million dollars;

9 (3) Whereas, Connecticut taxpayers contribute more towards state
10 employee pensions than taxpayers in almost all other states, with a

- 11 taxpayer to employee funding ratio at least twice the national average;
- 12 (4) Whereas, Connecticut has the third highest state and local tax
13 burden as a share of income;
- 14 (5) Whereas, "Tax Freedom Day" for Connecticut residents falls later
15 than any other state, May ninth, causing them to work longer than
16 residents of any other state simply to pay their federal, state and local
17 taxes;
- 18 (6) Whereas, the biennial budget for the fiscal years commencing
19 July 1, 2010, and July 1, 2011, raised state taxes by two billion six
20 hundred million dollars;
- 21 (7) Whereas, despite this tax increase, revenue fell in the most recent
22 quarter coming in four hundred sixty-one million dollars below
23 projections;
- 24 (8) Whereas, just two years after raising taxes by two billion six
25 hundred million dollars, Connecticut faces yet another two billion
26 seven hundred million dollar out-year deficit;
- 27 (9) Whereas, because of declining revenues, the state's planned one
28 hundred million dollar contribution to the state employee pension
29 fund has been cancelled, exacerbating our long-term liability;
- 30 (10) Whereas, Connecticut is one of few states to make pensions a
31 mandatory subject of collective bargaining, ceding legislative authority
32 and responsibility to the executive branch; and
- 33 (11) Whereas, Connecticut residents cannot bear additional tax
34 increases or increased debt without threatening their economic welfare
35 and the economic stability of the state.
- 36 (b) Now therefore, it is hereby found and declared that there exists a
37 severe financial emergency in Connecticut and that in light of the
38 state's accumulating deficit, long-term liabilities and unsustainable

39 employee obligations, it is necessary and in the public interest to
40 modify the state's employee pension system so that the state can meet
41 its long-term commitments to all state employees while protecting the
42 state's financial integrity, economic stability and competitiveness for
43 all its residents. Therefore, the following changes in section 502 of this
44 act are hereby declared as a matter of legislative determination to be
45 reasonable and necessary to implement an important public purpose.

46 Sec. 502. (NEW) (*Effective October 1, 2014*) Notwithstanding any
47 other provisions of the general statutes, overtime pay shall not be
48 considered salary for the purpose of calculating pension benefits for
49 any state employee, including any employee subject to the collective
50 bargaining agreement entered into between the State Employee
51 Bargaining Agent Coalition and the state and submitted to the General
52 Assembly on August 22, 2011, or any subsequent agreement entered
53 into between the parties, who retires on and after the effective date of
54 this section."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	New section
Sec. 502	<i>October 1, 2014</i>	New section